



General Assembly

Substitute Bill No. 142

February Session, 2008

* SB00142HSGPD_030508 *

**AN ACT INCREASING THE NUMBER OF HOUSING UNITS IN THE
NEXT STEPS INITIATIVE.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17a-485c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2008*):

3 (a) The Commissioner of Mental Health and Addiction Services, in
4 collaboration with the Commissioners of Social Services, Children and
5 Families and Economic and Community Development and the
6 Connecticut Housing Finance Authority, shall establish a Supportive
7 Housing Initiative to provide additional units of affordable housing
8 and support services to eligible persons. The Supportive Housing
9 Initiative shall be implemented in two phases with the first phase to be
10 known as the Supportive Housing Pilots Initiative and the second
11 phase to be known as the Next Steps Initiative.

12 (b) The Supportive Housing Pilots Initiative shall provide up to six
13 hundred fifty additional units of affordable housing and support
14 services to eligible households, as defined in section 17a-484a, and to
15 persons with serious mental health needs who are community-
16 supervised offenders supervised by the executive or judicial branch.
17 Such housing shall be permanent supportive housing or transitional
18 living programs, and the permanent supportive housing may include

19 both individuals and families with special needs and individuals and
20 families without such needs.

21 (c) Not later than January 1, 2002, the Secretary of the Office of
22 Policy and Management and the Commissioner of Mental Health and
23 Addiction Services shall enter into a memorandum of understanding
24 with the Departments of Social Services and Economic and
25 Community Development and the Connecticut Housing Finance
26 Authority. The memorandum of understanding shall provide that: (1)
27 A collaborative plan shall be submitted with specific timetables to
28 create up to six hundred fifty dwelling units of supportive housing,
29 which may include the construction of up to three hundred new units
30 of supportive housing; (2) the Department of Social Services may
31 provide project-based rental subsidy certificates; (3) the Connecticut
32 Housing Finance Authority and the Department of Economic and
33 Community Development shall provide grants, mortgage loans and
34 tax credits that offer a viable financing package, including capitalized
35 operating reserves, for the construction of up to three hundred new
36 units of supportive housing; (4) the Department of Mental Health and
37 Addiction Services shall provide annual grants to the projects for
38 supportive services during the term of any mortgage loan; (5) there
39 shall be a plan for private and federal predevelopment financing and
40 financing from nonstate sources for grants and loans from private
41 investment through federal and state tax credit programs and federal
42 project-based rental subsidies; and (6) not later than July 1, 2002, the
43 Connecticut Housing Finance Authority shall issue a request for
44 proposals by persons or entities interested in participating in such
45 initiative with priority given to applicants that include organizations
46 deemed qualified to provide services by the Department of Mental
47 Health and Addiction Services pursuant to a request for qualifications.
48 The Connecticut Housing Finance Authority shall review and
49 underwrite projects developed under the Supportive Housing Pilots
50 Initiative.

51 (d) The Next Steps Initiative shall provide up to five hundred

52 additional units of affordable housing and support services to: (1)
53 Eligible households, as defined in section 17a-484a; (2) families who
54 are eligible under the state plan for the federal temporary assistance
55 for needy families program; (3) adults who are eighteen to twenty-
56 three years of age, inclusive, and who are homeless, or at risk for
57 becoming homeless because they are transitioning from foster care or
58 other residential programs; and (4) persons with serious mental health
59 needs who are community-supervised offenders supervised by the
60 executive or judicial branch. Such housing shall be permanent
61 supportive housing and may include both individuals and families
62 with special needs and individuals and families without such needs.

63 (e) Not later than October 1, 2005, the Secretary of the Office of
64 Policy and Management and the Commissioner of Mental Health and
65 Addiction Services shall enter into a memorandum of understanding
66 with the Departments of Social Services, Children and Families and
67 Economic and Community Development and the Connecticut Housing
68 Finance Authority. The memorandum of understanding shall provide
69 that: (1) A collaborative plan shall be submitted with specific
70 timetables to create up to five hundred dwelling units of supportive
71 housing under the Next Steps Initiative; (2) the Department of Social
72 Services may provide subsidies, including, but not limited to, project-
73 based rental subsidy certificates during the term of any mortgage loan,
74 that may include payments to fund reasonable repair and replacement
75 reserves; (3) the Connecticut Housing Finance Authority and the
76 Department of Economic and Community Development may provide
77 grants, mortgage loans or tax credits, or any combination thereof that
78 offer a viable financing package, including capitalized operating
79 reserves; (4) the Departments of Mental Health and Addiction Services,
80 Social Services and Children and Families may provide annual grants
81 to the projects for supportive services during the term of any mortgage
82 loan; (5) there shall be a plan for private and federal predevelopment
83 financing and financing from nonstate sources for grants and loans
84 from private investment through federal and state tax credit programs
85 and federal project-based rental subsidies; and (6) the parties to the

86 memorandum of understanding may include such other provisions to
87 the memorandum of understanding that the parties find: (A)
88 Necessary to assure the effectuation of the Supportive Housing
89 Initiative, and (B) appropriate for repayment of state assistance to the
90 state, as a result of payment of mortgage loans by the Connecticut
91 Housing Finance Authority from federal or other sources of revenue, if
92 any. Not later than January 1, 2006, the Connecticut Housing Finance
93 Authority shall issue one or more requests for proposals by persons or
94 entities interested in participating in such initiative with priority given
95 to applicants that include organizations deemed qualified to provide
96 services by the Departments of Mental Health and Addiction Services,
97 Social Services and Children and Families. The Connecticut Housing
98 Finance Authority shall review and underwrite projects developed
99 under the Supportive Housing Initiative. For purposes of this
100 subsection, "state assistance" means a payment by the state of actual
101 debt service, comprised of principal, interest, interest rate swap
102 payments, liquidity fees, letter of credit fees, trustee fees, and other
103 similar bond-related expenses.

104 [(f) Not later than January 1, 2006, the Commissioners of Mental
105 Health and Addiction Services, Children and Families, Social Services
106 and Economic and Community Development and the Connecticut
107 Housing Finance Authority shall submit an interim status report
108 relative to the Supportive Housing Initiative established under this
109 section to the joint standing committees of the General Assembly
110 having cognizance of matters relating to public health, human services,
111 finance, revenue and bonding and appropriations and the budgets of
112 state agencies. Not later than January 1, 2007, the Commissioners of
113 Mental Health and Addiction Services and Economic and Community
114 Development and the Connecticut Housing Finance Authority shall
115 submit a final report to said committees with respect to the Supportive
116 Housing Initiative and the report shall include, but not be limited to,
117 information indicating (1) the number and location of the units of
118 supportive housing created, (2) the number of individuals served, (3)
119 the number and type of services offered, and (4) the estimated amount

120 of cost avoidance achieved as a direct result of such initiative.]

121 (f) (1) The Commissioner of Mental Health and Addiction Services,
122 in collaboration with the Commissioners of Social Services, Children
123 and Families and Economic and Community Development, and the
124 Connecticut Housing Finance Authority, shall continue the Next Steps
125 Initiative, established under subsection (b) of this section, and provide
126 to eligible households, as defined in section 17a-484a, six hundred fifty
127 units of affordable housing and support services, of which four
128 hundred forty units shall be for single adults and two hundred ten
129 units shall be for families. Housing units provided under this section
130 shall consist of three hundred new supportive housing units and three
131 hundred fifty scattered site units. Not more than one hundred of the
132 scattered-site housing units may be in market-rate or affordable
133 housing developments.

134 (2) Not later than October 1, 2008, the Secretary of the Office of
135 Policy and Management and the Commissioner of Mental Health and
136 Addiction Services shall enter into a memorandum of understanding
137 with the Departments of Social Services, Children and Families and
138 Economic and Community Development, and the Connecticut
139 Housing Finance Authority. The memorandum of understanding shall
140 provide that: (A) A collaborative plan shall be submitted with specific
141 timetables to create up to six hundred fifty additional dwelling units of
142 supportive housing under the continuation of the Next Steps Initiative
143 pursuant to this subsection; (B) the Department of Social Services may
144 provide subsidies, including, but not limited to, project-based rental
145 subsidy certificates during the term of any mortgage loans; (C) the
146 Connecticut Housing Finance Authority and the Department of
147 Economic and Community Development shall provide grants,
148 mortgage loans or tax credits that offer a viable financing package,
149 including capitalized operating reserves; (D) after January 1, 2009, the
150 State Treasurer and the Secretary of the Office of Policy and
151 Management may enter into debt service agreement to provide
152 funding for debt service costs for Section 501(c)(3) of the Internal

153 Revenue Code bonds issued by the Connecticut Housing Finance
 154 Authority; (E) the Departments of Mental Health and Addiction
 155 Services, Social Services and Children and Families shall provide
 156 annual grants to the projects for supportive services during the term of
 157 any mortgage loan; and (F) there shall be a plan for private and federal
 158 predevelopment financing and financing from nonstate sources for
 159 grants and loans from private investment through federal and state tax
 160 credit programs and federal project-based rental subsidies. Not later
 161 than January 1, 2009, the Connecticut Housing Finance Authority shall
 162 issue one or more requests for proposals by persons or entities
 163 interested in participating in such initiative. The Connecticut Housing
 164 Finance Authority shall review and underwrite projects developed
 165 under this supportive housing initiative.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2008	17a-485c
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HSG

Joint Favorable Subst. C/R

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